

OFFICE OF THE U.S. HIGH COMMISSIONER FOR GERMANY

OFFICE MEMORANDUM

SECRET

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REVIEWED BY Jack

DATE 3/18/81

Date: August 19, 1950

RDS for XDS/EXT. DATE

TS AUTH.

PA 0-181

ENDORSE EXISTING MARK

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RELEASE DETERMINED

PA OF FOI EXEMPTIONS

To: ECA Mission - Dr. Carl Bode
From: MSB/SRD - Carl H. Nordstrom
Subject: Five Percent Counterpart Funds

1. Reference is made to previous discussion concerning the use of Five Percent Counterpart Funds to support such scientific research and related activities as may be of special interest to the United States.
2. It is our opinion that the interests of the U.S. would be furthered considerably by
 - a. The support of key research projects, with the proviso that the U.S. Government will receive complete technical results of such research and will have royalty-free use of patents resulting therefrom;
 - b. The support of key scientific journals and periodicals which for the lack of such support would become bankrupt or be absorbed by East Zone publishing houses;
 - c. The support of certain East Zone scientists and their families who indicate their desire to leave the East Zone because of restrictions on their intellectual activities or who are in danger of being deported;
 - d. The support of underpaid East Zone scientists who, although politically reliable, may be tempted eastward by offers of economic security;
 - e. The support of the testing and demonstration of inventions offered to the U.S. by German scientists and engineers, when it is U.S. opinion that such tests and demonstrations are necessary to evaluate the invention.
3. It is difficult to estimate the sum per year which could be used effectively, since grants must be made on a case-by-case basis. Each case will require a complete investigation as to political reliability, scientific excellence, U.S. interest, etc. The determination of key research projects of interest to the U.S. will be discussed during my visit to Washington the latter part of this month.
4. It is requested that initially a fund of 5 million DM be set aside to be used by the Scientific Research Division for the purposes set forth above, this fund to remain administratively under the control of the ECA Mission, specific sums being released on a case-by-case basis as specified by the Scientific Research Division.

Tel: BERLIN 86-5503

MSB/SRD:CHNordstrom/mw

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